

HOUSE BILL NO. 578

INTRODUCED BY MILLER

BY REQUEST OF THE MONTANA INSURANCE DEPARTMENT

IN THE HOUSE

January 31, 1983	Introduced and referred to Committee on Business and Industry.
February 8, 1983	Committee recommend bill do pass as amended. Report adopted.
February 9, 1983	Bill printed and placed on members' desks.
February 10, 1983	Second reading, do pass.
February 11, 1983	Considered correctly engrossed.
February 12, 1983	Third reading, passed. Transmitted to Senate.

IN THE SENATE

February 12, 1983	Introduced and referred to Committee on Business and Industry.
March 10, 1983	Committee recommend bill be concurred in as amended. Report adopted.
March 12, 1983	Second reading, concurred in.
March 15, 1983	Third reading, concurred in. Ayes, 49; Noes, 0.

IN THE HOUSE

March 15, 1983

Returned to House with
amendments.

March 31, 1983

Second reading, amendments
concurred in.

April 1, 1983

Third reading, amendments
concurred in.

Sent to enrolling.

Reported correctly enrolled.

1 House BILL NO. 578
2 INTRODUCED BY Mills
3 BY REQUEST OF THE MONTANA INSURANCE DEPARTMENT
4
5 A BILL FOR AN ACT ENTITLED: "AN ACT TO GIVE THE MONTANA
6 INSURANCE DEPARTMENT JURISDICTION TO DETERMINE JURISDICTION
7 OVER PROVIDERS OF HEALTH CARE BENEFITS; TO MAKE SUCH A
8 PROVIDER SUBJECT TO THE MONTANA INSURANCE CODE IF IT CANNOT
9 SHOW THAT IT IS SUBJECT TO ANOTHER JURISDICTION; AND TO
10 REQUIRE DISCLOSURE TO PURCHASERS OF SUCH HEALTH CARE
11 BENEFITS CONCERNING WHETHER OR NOT THE PLANS ARE FULLY
12 INSURED."
13
14 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:
15 Section 1. Short title. [This act] may be cited as the
16 "Jurisdiction to Determine Jurisdiction of Providers of
17 Health Care Benefits Act".
18 Section 2. Authority and jurisdiction of insurance
19 department. Notwithstanding any other provision of law and
20 except as provided in [this act], any person that provides
21 coverage in this state for medical, surgical, chiropractic,
22 physical therapy, speech pathology, audiology, professional
23 mental health, dental, hospital, or optometric expenses,
24 whether such coverage is by direct payment, reimbursement,
25 or otherwise, is presumed to be subject to the jurisdiction

1 of the department unless the person shows that while
2 providing such services it is subject to the jurisdiction of
3 another agency of this state or any subdivision thereof or
4 the federal government.

5 Section 3. How to show jurisdiction. A person or
6 entity may show that it is subject to the jurisdiction of
7 another agency of this state or any subdivision thereof or
8 the federal government by providing the commissioner with
9 the appropriate certificate, license, or other document
10 issued by the other governmental agency that permits or
11 qualifies it to provide those services.

12 Section 4. Examination. A person or entity which is
13 unable to show under [section 3] that it is subject to the
14 jurisdiction of another agency must submit to an examination
15 by the commissioner to determine the organization and
16 solvency of the person and to determine whether or not such
17 person complies with the applicable provisions of this code.

18 Section 5. Subject to state laws. A person unable to
19 show that it is subject to the jurisdiction of another
20 agency of this state or any subdivision thereof or the
21 federal government is subject to all appropriate provisions
22 of this code regarding the conduct of its business.

23 Section 6. Disclosure. (1) A production agency or
24 administrator that advertises, sells, transacts, or
25 administers the coverage in this state described in [section

1 2] and is required to submit to an examination by the
2 insurance commissioner under [section 4] shall, if such
3 coverage is not fully insured or otherwise fully covered by
4 an admitted life or disability insurer or nonprofit health
5 service corporation, advise every purchaser, prospective
6 purchaser, and covered person of such lack of insurance or
7 other coverage.

8 (2) An administrator that advertises or administers
9 the coverage in this state described in [section 2] and is
10 required to submit to an examination by the commissioner
11 under [section 4] shall advise any production agency of the
12 elements of the coverage, including the amount of
13 "stop-loss" insurance in effect.

14 Section 7. Codification instruction. This act is
15 intended to be codified as an integral part of Title 33, and
16 the provisions of Title 33 apply to this act.

-End-

Approved by Committee
on Business and Industry

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A BILL FOR AN ACT ENTITLED: "AN ACT TO GIVE THE MONTANA
INSURANCE DEPARTMENT JURISDICTION TO DETERMINE JURISDICTION
OVER PROVIDERS OF HEALTH CARE BENEFITS; TO INDICATE HOW EACH
PROVIDER OF HEALTH CARE BENEFITS MAY SHOW UNDER WHAT
JURISDICTION IT FALLS; TO ALLOW FOR EXAMINATIONS BY THE
STATE IF THE PROVIDER OF HEALTH CARE BENEFITS IS UNABLE TO
SHOW IT IS SUBJECT TO ANOTHER JURISDICTION; TO MAKE SUCH A
PROVIDER SUBJECT TO THE MONTANA INSURANCE CODE IF IT CANNOT
SHOW THAT IT IS SUBJECT TO ANOTHER JURISDICTION; AND TO
REQUIRE DISCLOSURE TO PURCHASERS OF SUCH HEALTH CARE
BENEFITS CONCERNING WHETHER OR NOT THE PLANS ARE FULLY
INSURED."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

Section 1. Short title. [This act] may be cited as the
"Jurisdiction to Determine Jurisdiction of Providers of
Health Care Benefits Act".

Section 2. Authority and jurisdiction of insurance
department. Notwithstanding any other provision of law and
except as provided in [this act], any person that provides
coverage in this state for medical, surgical, chiropractic,

physical therapy, speech pathology, audiology, professional
mental health, dental, hospital, or optometric expenses,
whether such coverage is by direct payment, reimbursement,
or otherwise, is presumed to be subject to the jurisdiction
of the department unless the person shows that while
providing such services it is subject to the jurisdiction of
another agency of this state or any subdivision thereof or
the federal government.

Section 3. How to show jurisdiction. A person or
entity may show that it is subject to the jurisdiction of
another agency of this state or any subdivision thereof or
the federal government by providing the commissioner with
the appropriate certificate, license, or other document
issued by the other governmental agency that permits or
qualifies it to provide those services.

Section 4. Examination. A person or entity which is
unable to show under [section 3] that it is subject to the
jurisdiction of another agency OR THIS STATE OR A
SUBDIVISION THEREOF OR THE FEDERAL GOVERNMENT must submit to
an examination by the commissioner to determine the
organization and solvency of the person OR ENTITY and to
determine whether or not such person OR ENTITY complies with
the applicable provisions of this code.

Section 5. Subject to state laws. A person OR ENTITY
unable to show that it is subject to the jurisdiction of

1 another agency of this state or any subdivision thereof or
2 the federal government is subject to all appropriate
3 provisions of this code regarding the conduct of its
4 business.

5 Section 6. Disclosure. (1) A production agency or
6 administrator that advertises, sells, transacts, or
7 administers the coverage in this state described in [section
8 2] and IHA is required to submit to an examination by the
9 insurance commissioner under [section 4] shall, if such
10 coverage is not fully insured or otherwise fully covered by
11 an admitted life or disability insurer or nonprofit health
12 service corporation, advise every purchaser, prospective
13 purchaser, and covered person of such lack of insurance or
14 other coverage.

15 (2) An administrator that advertises or administers
16 the coverage in this state described in [section 2] and is
17 required to submit to an examination by the commissioner
18 under [section 4] shall advise any production agency of the
19 elements of the coverage, including the amount of
20 "stop-loss" insurance in effect.

21 Section 7. Codification instruction. This act is
22 intended to be codified as an integral part of Title 33, and
23 the provisions of Title 33 apply to this act.

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A BILL FOR AN ACT ENTITLED: "AN ACT TO GIVE THE MONTANA INSURANCE DEPARTMENT JURISDICTION TO DETERMINE JURISDICTION OVER PROVIDERS OF HEALTH CARE BENEFITS; ~~TO INDICATE HOW EACH PROVIDER OF HEALTH CARE BENEFITS MAY SHOW UNDER WHAT JURISDICTION IT FALLS; TO ALLOW FOR EXAMINATIONS BY THE STATE IF THE PROVIDER OF HEALTH CARE BENEFITS IS UNABLE TO SHOW IT IS SUBJECT TO ANOTHER JURISDICTION;~~ TO MAKE SUCH A PROVIDER SUBJECT TO THE MONTANA INSURANCE CODE IF IT CANNOT SHOW THAT IT IS SUBJECT TO ANOTHER JURISDICTION; AND TO REQUIRE DISCLOSURE TO PURCHASERS OF SUCH HEALTH CARE BENEFITS CONCERNING WHETHER OR NOT THE PLANS ARE FULLY INSURED."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

Section 1. Short title. [This act] may be cited as the "Jurisdiction to Determine Jurisdiction of Providers of Health Care Benefits Act".

Section 2. Authority and jurisdiction of insurance department. Notwithstanding any other provision of law and except as provided in [this act], any person that provides coverage in this state for medical, surgical, chiropractic,

physical therapy, speech pathology, audiology, professional mental health, dental, hospital, or optometric expenses, whether such coverage is by direct payment, reimbursement, or otherwise, is presumed to be subject to the jurisdiction of the department unless the person shows that while providing such services it is subject to the jurisdiction of another agency of this state or any subdivision thereof or the federal government.

Section 3. How to show jurisdiction. A person or entity may show that it is subject to the jurisdiction of another agency of this state or any subdivision thereof or the federal government by providing the commissioner with the appropriate certificate, license, or other document issued by the other governmental agency that permits or qualifies it to provide those services.

Section 4. Examination. A person or entity which is unable to show under [section 3] that it is subject to the jurisdiction of another agency ~~OR THIS STATE OR A SUBDIVISION THEREOF OR THE FEDERAL GOVERNMENT~~ must submit to an examination by the commissioner to determine the organization and solvency of the person ~~OR ENTITY~~ and to determine whether or not such person ~~OR ENTITY~~ complies with the applicable provisions of this code.

Section 5. Subject to state laws. A person ~~OR ENTITY~~ unable to show that it is subject to the jurisdiction of

1 another agency of this state or any subdivision thereof or
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7 administers the coverage in this state described in [section
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12 service corporation, advise every purchaser, prospective
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14 other coverage.

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16 the coverage in this state described in [section 2] and is
17 required to submit to an examination by the commissioner
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19 elements of the coverage, including the amount of
20 "stop-loss" insurance in effect.

21 Section 7. Codification instruction. This act is
22 intended to be codified as an integral part of Title 33, and
23 the provisions of Title 33 apply to this act.

-End-

March 10, 1983

SENATE STANDING COMMITTEE REPORT
(Business & Industry)

That House Bill No. 578 be amended as follows:

1. Page 1, line 24.
Following: "person"
Insert: "or other entity"

2. Page 2, line 5.
Following: "person"
Insert: "or other entity"

3. Page 2, line 7.
Following: "this"
Insert: "or another"

4. Page 2, line 11.
Following: "this"
Insert: "or another"

5. Page 2, line 18.
Following: "THIS"
INSERT: "or another"

6. Page 3, line 1.
Following: "this"
Insert: "or another"

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